GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:5509
ANSWERED ON:02.05.2000
OMAN INDIA FERTILIZER PROJECT
SUBODH MOHITE

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether the Government have taken any decision on the long-term pricing commitment for the off take of urea from the joint venture Oman- India fertilizer project;

(b) if so, the details thereof;

(c) if not, the reasons therefor?

(d) whether the Government are facing resistance from the Planning Commission and Finance Ministry against the fixed price agreement;

(e) if so, the details thereof; and

(f) the reaction of the Government thereto?

Answer

MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS

(SHRI RAMESH BAIS)

(a) to (c): Approval for setting up an ammonia-urea complex in Oman in joint venture with Oman Oil Company was accorded by the Government of India in 1997. On account of subsequent sharp decline in urea prices in the international market, it became necessary to revise and restructure the project. The restructured project which inter alia includes the long term pricing commitment, is under Government`s consideration.

(d) to (f): During the inter-ministerial consultations for the revised and restructured project, Planning Commission and Ministry of Finance have raised certain issues on the fixed price agreement that is a part of the restructured project. These issues are also under Government`s consideration.